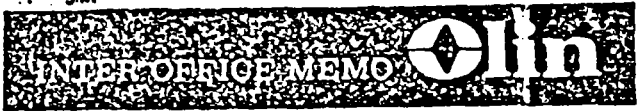


EXHIBIT
Riley 21
8/10/90 DE

NOTICE: If the film image
is less clear than this
notice, it is due to the
quality of the document
being filmed



TO D. R. Vaughn AT
FROM J. M. Jackson, Jr. AT Stamford
SUBJECT WILMINGTON PLANT/REQUIRED NOTICE TO STEPAN
CONCERNING ACTION TO CORRECT ENVIRONMENTAL PROBLEMS

DATE November 12, 1980
COPY TO R. D. Bradford
G. G. King
J. Margherio
R. McBrien ✓
V. Norwood
M. Sokolowski

Over the last week or two, we have talked generally about the possibility of having to take action concerning the presence of wastes at the Wilmington plant. At least some of these wastes may not have been disclosed by Stepan as required by the August 5, 1980 Agreement of Purchase and Sale.

As you know, if Olin incurs costs or expenses "on account of the presence of wastes, other than Disclosed Wastes, deposited on or in the real property conveyed...prior to the Closing, [Stepan] shall share such Costs...." (See, Section 11.04 of the Agreement.)

During the first year after the Closing, Olin is obligated to pay the first \$100,000 of "Costs" incurred because of the presence of undisclosed wastes. Thereafter, Olin and Stepan are obligated to share such costs on a 50-50 basis. Stepan's maximum liability, however, is limited to \$5.5MM.

During the course of negotiating the environmental risk-sharing provisions, Stepan expressed the concern that Olin might spend more than it really had to to correct environmental problems and, in fact, would be encouraged to do so at some point because Stepan would be paying 50% of the costs. Consequently, Stepan insisted upon, and we reluctantly agreed to, the following as a post closing covenant:

"15.02(A) In the event Buyer intends to incur Costs to be shared by Seller under Section 11.04 on account of the presence of wastes, other than disclosed wastes, or "costs and expenses" under Section 3.05 to be borne by Seller, involving a modification, expansion, alteration or addition to the Plant, Buyer agrees to notify Seller of such intention thirty (30) days prior to the commencement of such modification, expansion or addition and to give Seller reasonable access to all plans related thereto. In the event that Buyer and Seller are unable to agree within sixty (60) days of the above notice on the amount of "costs and expenses" to be borne by Seller necessary to cause operations to be in compliance by Seller under Section 11.04 necessary to make a modification, expansion, alteration or addition as set forth above, then the parties hereto agree to refer such disagreement to immediate arbitration under the rules of the American Arbitration Association and such arbitration shall be final and binding."

WHY FILE THIS COPY? IF YOU MUST RETAIN IT, SPECIFY A DEFINITE RETENTION PERIOD: ONE YEAR _____ OTHER _____

U.S. V. CHARLES GEORGE 16MAR88
NAME Olin
CO#
S/N#

JCG078

11/9/79

